

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSB 74(FIN)
Fiscal Note Number:	32
(S) Publish Date:	3/9/2016

Identifier: SB074CS(FIN)-DHSS-BHA-3-8-16
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Rules

Department: Department of Health and Social Services
Appropriation: Behavioral Health
Allocation: Behavioral Health Administration
OMB Component Number: 2665

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services				(226.7)	(453.4)	(453.4)	(453.4)
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	(226.7)	(453.4)	(453.4)	(453.4)

Fund Source (Operating Only)

1002 Fed Rcpts				(113.4)	(226.7)	(226.7)	(226.7)
1003 G/F Match				(113.3)	(226.7)	(226.7)	(226.7)
Total	0.0	0.0	0.0	(226.7)	(453.4)	(453.4)	(453.4)

Positions

Full-time				(2.0)	(4.0)	(4.0)	(4.0)
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version:

This fiscal note has been updated to reflect the CS, version U.

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Agency:	Health and Social Services

Phone:	(907)269-5948
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Date:	03/08/16

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SFC 03/08/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Section 28 of CSSB74(FIN) adds a new section, AS 47.05.270, entitled "Medical assistance reform program." New subsection AS 47.05.270(b) instructs the Department of Health and Social Services (DHSS), in coordination with the Alaska Mental Health Trust Authority, to "manage a comprehensive and integrated behavioral health program," including a plan for providing a continuum of community-based services from a wide array of providers and disciplines that addresses housing, employment, and criminal justice, and reduces barriers that fragment services and reduce effectiveness and efficiency. It is expected that Alaskans served by the criminal justice system will benefit from the reformed system of behavioral health care, and savings will be realized in the Department of Corrections, Public Safety and the Court system as well as within the Office of Children's Services.

Section 30 adds new subsections AS 47.07.036(d)(4) and (5) that authorize the Department to develop demonstration projects for innovative service delivery and payment models, and provide incentives for telehealth. New subsection AS 47.07.036(e) requires the Department to seek 1115 demonstration waivers from the Centers for Medicare and Medicaid Services (CMS), and subsection (f) requires that one of these 1115 waivers focus on behavioral health system improvements for Medicaid recipients. These system improvements must be consistent with the improvements expected under Section 28, p. 26 of the bill (47.05.270(b)) that are intended to improve access to quality care while managing costs.

OPERATING BUDGET SAVINGS: In both FY2019 and FY2020, the Division of Behavioral Health will reduced its personal services line by one Mental Health Clinician III (\$119.8) and one Health Program Manager II (\$106.9), for a total of four positions between SFY2019 and SFY2020.